

INTRODUCED \_\_\_\_\_  
PUBLIC HEARING \_\_\_\_\_  
COUNCIL ACTION \_\_\_\_\_  
EXEC. ACTION \_\_\_\_\_  
EFFECTIVE DATE \_\_\_\_\_

**County Council of  
Howard County, Maryland**

2005 Legislative Session

Legislative Day No. 6

**Bill No. 27-2005**

Introduced by: The Chairman at the request of the County Executive

AN ACT to authorize and empower Howard County, Maryland to borrow, on its full faith and credit, up to \$11,713,000 from the Maryland Water Quality Financing Administration (the "Administration"), and to issue and sell its installment bonds to the Administration, the proceeds thereof to be used to pay costs of certain County sewer capital projects, as described in the County's 2006 Capital Budget, and to pay all related costs; and to levy taxes upon the assessable property within the County sufficient, together with benefit assessments, ad valorem taxes levied upon assessable property in the Metropolitan District and other available funds, to pay the debt service on such bonds; authorizing the County to enter into a Loan Agreement with the Administration to effect and further evidence such borrowing; and making certain findings and determinations.

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Introduced and read first time \_\_\_\_\_, 2005. Ordered posted and hearing scheduled.

By order \_\_\_\_\_  
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on \_\_\_\_\_, 2005 and concluded on \_\_\_\_\_, 2005.

By order \_\_\_\_\_  
Sheila M. Tolliver,  
Administrator

This Bill was read the third time on \_\_\_\_\_, 2005 and Passed, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order \_\_\_\_\_  
Sheila M. Tolliver,  
Administrator

Sealed with the County Seal and presented to the County Executive for approval this \_\_\_\_ day of \_\_\_\_\_, 2005 at \_\_\_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Sheila M. Tolliver,  
Administrator

Approved by the County Executive \_\_\_\_\_, 2004

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James N. Robey, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; ~~Strike out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

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Pursuant to and in accordance with the Maryland Water Quality Financing Administration Act, Sections 9-1601 to 9-1622 of the Environment Article, Annotated Code of Maryland, as amended (the "MWQFA Act"), the Maryland Water Quality Financing Administration (the "Administration") is authorized to issue its bonds to provide moneys for deposit into the Maryland Water Quality Revolving Loan Fund (the "Fund") to be used to make loans to "local governments" for the purpose of financing all or a portion of the cost of a "wastewater facility" (both as defined in the MWQFA Act).

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1 (2) Without regard to any limitations on the  
2 denomination of such obligations; and  
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4 (3) At any interest rate or cost or at any price that the  
5 borrower considers necessary or desirable.  
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7 (c) *Payment of fees or charges by borrower.* A  
8 borrower may pay any fees or charges necessary to enable the  
9 Administration to sell its bonds, including any fees for the  
10 insurance of its loan obligations or bonds of the Administration, or  
11 to provide any other guarantee, credit enhancement, or additional  
12 security for any such loan obligations or bonds.  
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14 (d) *Pledge of moneys borrower is entitled to receive*  
15 *from State.* Notwithstanding any other provision of public general  
16 or public local law, charter, or ordinance, a borrower may agree  
17 with the Administration to pledge any moneys that the borrower is  
18 entitled to receive from the State, including the borrower's share of  
19 the State income tax, to secure its obligations under a loan  
20 agreement. The State Comptroller and the State Treasurer shall  
21 cause any moneys withheld under such a pledge to be paid to, or  
22 applied at the direction of the Administration.  
23

24 (e) *Loan obligation cancelable only upon repayment*  
25 *in full.* Each loan agreement shall contain a provision whereby the  
26 borrower acknowledges and agrees that the borrower's loan  
27 obligation is cancelable only upon repayment in full and that  
28 neither the Administration, the Secretary, nor the Board is  
29 authorized to forgive the repayment of all or any portion of the  
30 loan, except for loans to disadvantaged communities, pursuant to  
31 the federal Safe Drinking Water Act.  
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33 (f) *Default on loan obligation.* In the event of a default  
34 on a loan obligation by a borrower other than a local  
35 government, the Administration may place a lien against  
36 property of the borrower securing the loan which, subject to the  
37 tax liens of the federal, State, and local governments, shall have  
38 the same priority and status as a lien of the State for unpaid taxes  
39 under §§ 14-804 and 14-805 of the Tax-Property Article. The  
40 Administration may exercise the same rights and powers in  
41 enforcing such lien and collecting funds for the payment of  
42 amounts in default under the loan obligation as the State may  
43 exercise in collecting unpaid taxes under Title 14, Subtitle 8 of  
44 the Tax-Property Article."

45 The Capital Budget includes the appropriation of \$11,713,000 to be borrowed from the  
46 Administration in accordance with the MWQFA Act to pay a portion of the costs of certain sewer  
47 capital projects specified in the County's Capital Budget for the fiscal year ending June 30, 2006  
48 which are more particularly described in Appendix A to this bond enabling law (each, a "Project")

1 and to pay all related costs. The County is a "local government" and each of the Projects is a  
2 "wastewater facility", both as defined in the MWQFA Act.

3 **Now therefore ,**

4 **Section 1. Be it enacted by the County Council of Howard County, Maryland,** That all  
5 terms used herein with an initial capital letter and defined in the Recitals hereof shall have the  
6 meanings given such terms therein, unless the context clearly indicates a contrary meaning.

7 **Section 2. Be it further enacted by the County Council of Howard County, Maryland,**

8 (a) That Howard County, Maryland (the "County") is hereby authorized and empowered to borrow,  
9 on its full faith and credit, an amount not exceeding \$11,713,000 from the Administration and to  
10 issue and sell one or more installment bonds (each, a "Bond") to the Administration, at one time or  
11 from time to time within four years from the effective date of this Act, pursuant to and in accordance  
12 with the Howard County Charter and the MWQFA Act, the proceeds thereof to be used for payment  
13 of costs of the Projects, as more particularly specified and described in Appendix A hereto and in the  
14 County's Capital Budget for the fiscal year ending June 30, 2006, and for payment of all related  
15 costs, including, without limitation, the costs incurred by the County in connection with the issuance  
16 of the Bond or Bonds to the Administration, and the cost of planning, construction, improvements,  
17 renovation, rehabilitation, equipping, engineering and architect's services, surveys, landscaping, site  
18 development and land acquisition, to the extent permitted under the MWQFA Act.

19 (b) Each Bond shall constitute a "loan obligation" within the meaning of the  
20 MWQFA Act.

21 (c) The County is further authorized to enter into a Loan Agreement with the  
22 Administration (a "Loan Agreement") to effect and evidence each loan from the Administration.

23 **Section 3. Be it further enacted by the County Council of Howard County, Maryland,**

24 That, for each Bond issued under this Act, the County Council, by an ordinance or ordinances  
25 adopted from time to time in accordance with Sections 606 and 618 of the Howard County Charter,  
26 the MWQFA Act, and other applicable provisions of law, shall provide for (a) the issuance and sale

1 of such Bond to the Administration, (b) the designation, form, tenor, maximum principal amount  
2 (and the formula for computing the final principal amount), denomination and maturity (not  
3 exceeding thirty years), (c) the amortization schedule of such Bond (or the formula for computing  
4 such schedule), (d) the interest rate (or the method of determining such rate) payable on such Bond,  
5 and (e) the form and terms and conditions of the Loan Agreement.

6 **Section 4. Be it further enacted by the County Council of Howard County, Maryland,**

7 That for the purpose of paying the principal of and interest on the Bonds as the same shall become  
8 payable, the County Council shall levy annually ad valorem taxes upon the assessable property in  
9 Howard County sufficient, together with benefit assessments, ad valorem taxes levied upon  
10 assessable property in the Metropolitan District and other available funds, to pay the principal of and  
11 interest on the Bonds until the entire principal amount of the Bonds shall mature and be redeemed.

12 **Section 5. Be it further enacted by the County Council of Howard County, Maryland,**

13 That the County anticipates that a portion of the costs of the Projects will be paid prior to the  
14 issuance of the Bonds. The amount of such costs so paid will depend on various factors, including,  
15 without limitation, the timing and speed of progress on the Projects, the availability of other funds to  
16 pay such costs on an interim basis, bond and money market conditions and compliance with federal  
17 and State laws and regulations.

18 Accordingly, the County reasonably expects to reimburse costs of the Project (as described  
19 herein) with proceeds of the Bonds, such Bonds to be issued by the County in the maximum  
20 principal amount of \$11,713,000.

21 **Section 6. Be it further enacted by the County Council of Howard County, Maryland,**

22 That this Act shall take effect sixty-one (61) days after its enactment.

**Sewer Projects**

<b>Project Description</b>	<b>Amount to be Borrowed</b>
S6205 FY1998 L.P. WATER RECLAMATION PLANT ADDITION # A project for the upgrade / expansion of the Little Patuxent Water Reclamation Plant to increase the capacity of treatment facilities from 18 MGD to 25 MGD to meet projected sewage flows.	\$3,713,000
S6214 SEWER CONTINGENCY FUND The fund is designed for use as a revenue source for transfers of appropriations when either construction costs are higher than originally estimated or engineering must be advanced from future years to the present fiscal year for critical sewer needs.	8,000,000 _____
<b>TOTAL AMOUNT TO BE BORROWED:</b>	<b><u>\$11,713,000</u></b>